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MARKETING CHARGES FOR POTATOES SOLD IN CLEVELAND, OHIO

FEBRUARY-JUNE 1950

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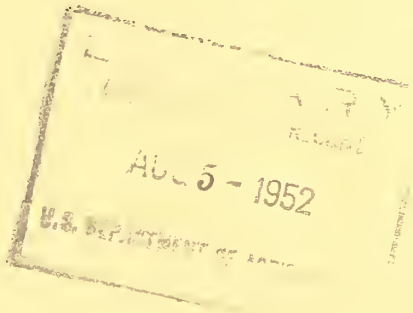

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INTRODUCTION

This is a report of the charges made at each step in the marketing process for potatoes. It takes into consideration the services performed by marketing agencies, and the channels through which potatoes move from producing areas to consumers in Cleveland, Ohio.

This is a companion study to the one on marketing charges for potatoes sold in Pittsburgh, Pa. 1/ Similar types of data were obtained during a part of the same period of time and the same methods of analysis were used so it is possible to make direct comparisons of marketing charges for similar services performed in the two cities.

1/ Garrott, W. N. Marketing Charges for Potatoes Sold in Pittsburgh, Pa., December 1949-June 1950. U.S. Dept. Agr. Marketing Research Report, No. 5.

This report provides specific information concerning marketing margins 2/ for potatoes according to area of production and type of potato. Pricing policies and margins are shown for retail stores according to their methods of buying produce. Data in sufficient detail to relate margins and services are not provided by the regular price-reporting agencies. For those interested in improving the marketing of farm products, exact information of the type given in this report is a necessary prerequisite to studies of marketing efficiency.

Facts such as these should be useful to buyers and sellers of fresh fruits and vegetables. Likewise, farmers and shippers may find that the information will help them to become better acquainted with the pricing practices followed in the various channels, and with margins taken by the handlers and service agencies that process and move products from farm to consumer. It will also provide farmers and shippers with a sound basis for relating services performed to charges made by handlers and service agencies.

With these things in mind, the Bureau of Agricultural Economics, during 1949 and 1950, obtained data on marketing margins, costs, and trade practices for the more important fresh fruits and vegetables sold in Cleveland, Ohio. Similar studies were carried out in Denver, Colo., Pittsburgh, Pa., and Charlotte, N.C. This report on potatoes is one of a series of commodity reports to be issued on the results of these studies.

SUMMARY

The study upon which this report is based analyzed the charges for marketing potatoes in Cleveland from February through June 1950. Retail store cost of and selling prices for potatoes were obtained for 1,543 lots, of which 137 were traced from the terminal market back to shipping point to obtain applicable marketing charges. Analysis of these data was carried out with reference to type of potato, method of sale, size of store, and season of the year in which sold. Marketing services studied were those applicable to potatoes during movement from the various shipping points to consumers at retail stores in Cleveland. Charges for these marketing services include the retailer's margin, the wholesaler's margin, procurement charges, and transportation charges.

(1) Retail prices. - The average retail selling price for the 1,543 lots of potatoes sold in the 20 sample stores during the 5 months was 5 cents a pound. Retail prices varied by type of potato, type of store, method of sale, and month of the year in which the potatoes were sold.

(2) Retail margins. - The average retail margin for all lots was 91 cents per 100 pounds. This was equal to 18.2 percent of the consumer's

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2/ Margins in this report are the difference between a marketing agency's buying price and selling price for a given unit of commodity. Retail margins, however, have been adjusted for waste and spoilage.

dollar spent for these lots. Margins varied by type of potato, type of store, and method of sale. Generally the larger stores charged the smallest margins. Each group of stores sold packaged potatoes for smaller margins (both absolute and percentage) with the exception of stores in group IV when they sold packaged Idaho potatoes.

(3) Wholesale margins. - Wholesale margins for the 137 lots traced back to shipping point averaged 54 cents per 100 pounds or 10.8 percent of the average retail price for all potatoes included in the study. Wholesale margins varied by type of potato and State of origin. They averaged 10.3 percent of the average retail price received for Maine potatoes, 10.8 percent for Idahos and 12.4 percent for Florida potatoes.

(4) Procurement charges. - Procurement charges for all of the 137 lots traced back to shipping point averaged 6 cents per 100 pounds, or 1.2 percent of the average retail price received for potatoes in the test stores. Idaho potatoes carried the highest average procurement charge, 11 cents per 100 pounds, or 1.5 percent of the average retail price. Florida-grown potatoes carried the lowest charge, 4 cents per 100 pounds, or 0.7 percent of the average retail price.

(5) Transportation. - Transportation charges varied according to distance shipped and services performed. The average charge for moving the 137 traced-back lots to Cleveland was $1.19 per 100 pounds, or 23.7 percent of their average retail price. Of this amount, $1.14 was for freight, 1 cent for heat or ice, and 4 cents for the Federal transportation tax.

Transportation charges varied from $1.08, or 25 percent of the average retail price for potatoes shipped from Maine, to $1.43, or 19 percent for those shipped from Idaho.

(6) F.O.B. shipping point. 3/ - The average value of the 137 lots traced back to shipping point was $2.30 per 100 pounds, or 46 percent of the average retail price received for the potatoes included in this study. Returns to shipping point f.o.b. varied by State of origin. Idaho potatoes averaged the highest return of $3.51 per 100 pounds, while Maine potatoes averaged the lowest, $1.97 per 100 pounds. On a percentage basis, returns to shipping point f.o.b. varied slightly from a high of 47.4 for Florida potatoes to a low of 47.0 percent for the Maine product.

QUANTITIES SOLD AND SOURCES

Data were obtained from a sample of 20 stores in Cleveland. They involved potatoes representing 767,155 pounds. This information pertained to retail store costs and selling prices for potatoes marketed from

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3/ F.O.B. shipping point or sacked and loaded aboard car or truck.

February 1 through June 1950. Of this quantity, 8,094 pounds were discarded at the retail level as waste. The average retail price was 5 cents a pound for all types of potatoes sold. New potatoes averaged 5.6 cents, Idahos 7.5 cents, and other old potatoes 4.8 cents a pound. 4/ Consumers were apparently willing to pay a substantial premium for Idaho potatoes in preference to both new and other old varieties.

Old potatoes, including Idahos, accounted for 65.5 percent of the total volume sold during the period studied. Commercial potato-growing areas supplied the bulk of the potatoes consumed in this market. California and Florida supplied 91 percent of the new potatoes and Maine and Idaho supplied 89 percent of the old potatoes. Potatoes from 17 different States were found in the 20 sample stores in Cleveland during the period of the study (table 1).

SEASONAL PATTERN OF POTATO SALES

The quantity of potatoes sold in the sample stores increased from February to March. During this time virtually all of the increased quantity sold was caused by new potatoes arriving on the market. After March the total quantity of sales gradually declined through June. During this period the quantity of old potatoes sold decreased each month while the quantity of new potatoes increased although not sufficiently to fill the gap (fig. 1).

This seasonal pattern is to be expected, as old potatoes that are stored tend to be moved to market during the winter when they need not compete with new or early potatoes, which are marketed during spring and summer. New potatoes, however, are characteristically more perishable than old, and they are moved to market as rapidly as possible after digging.

During the early spring new potatoes originated in Florida and Texas. As the growing season moved northward with the advance of spring, producing sections in the Southeastern area moved their production to market. Not until May and June did California-grown potatoes become an important competing product on the market (table 2).

Prices of new potatoes, Idahos, and other old potatoes are related to the volume of marketings of these respective types. Retail prices for new potatoes were highest in February when the study began. At this time the volume of marketings was not large. Later, as volume increased, prices declined (fig. 2).

4/ For purposes of this report, new potatoes are defined as all of those potatoes produced in the Southern half of the United States which are not stored during the winter. Idaho potatoes include all potatoes produced in the State of Idaho. Other old potatoes include all others that are produced in the United States and Canada.

Table 1. - Quantity and value of potatoes sold in Cleveland by crops and by States of origin, February-June 1950 1/

State of origin	Lots	Quantity				Cost to retailer	Value of sales		Average retail price per pound 2/
		Delivered	Sold	Percentage distribution			Total	Percentage distribution of total	
				New or old crop	Total				
	Number	Pounds	Pounds	Percent	Percent	Dollars	Dollars	Percent	Cents
NEW CROP									
California	290	175,830	172,887	66.5	22.8	7,540.15	9,186.47	24.0	5.3
Florida	201	65,600	64,391	24.8	8.5	3,230.25	3,957.42	10.3	6.1
Alabama	40	14,950	14,677	5.6	1.9	720.31	880.36	2.3	6.0
Texas	15	5,200	5,104	2.0	.7	288.31	359.45	.9	7.0
Arizona	9	2,700	2,650	1.0	.3	122.52	163.96	.4	6.2
North Carolina	2	350	346	.1	.1	10.80	16.28	.1	4.7
Virginia	1	100	98	3/	3/	3.50	4.90	3/	5.0
Total or average	558	264,730	260,153	100.0	34.3	11,915.84	14,568.84	38.0	5.6
OLD CROP									
Maine	614	374,990	372,792	75.0	49.1	13,217.10	15,864.64	41.4	4.3
Idaho	218	70,535	69,654	14.0	9.2	4,123.15	5,239.14	13.7	7.5
New York	77	22,000	21,892	4.4	2.9	817.27	951.79	2.5	4.3
Ohio	18	11,650	11,608	2.3	1.5	361.82	424.71	1.1	3.7
Nebraska	26	10,000	9,815	2.0	1.3	417.87	581.32	1.5	5.9
Illinois	3	4,100	4,098	.8	.5	210.90	227.64	.6	5.6
Pennsylvania	14	3,400	3,386	.7	.4	95.32	114.75	.3	3.4
North Dakota	8	2,350	2,306	.5	.3	94.05	141.99	.4	6.2
South Dakota	2	1,200	1,178	.2	.2	48.00	69.50	.2	5.9
Michigan	1	450	450	.1	.1	16.97	17.69	3/	3.9
Total or average	981	500,675	497,179	100.0	65.5	19,402.45	23,633.17	61.7	4.8
Not available	4	1,750	1,729		.2	68.13	97.14	.3	5.6
Grand total	1,543	767,155	759,061		100.0	31,386.42	38,299.15	100.0	5.0

1/ While it was the intent of enumerators to obtain complete information on all potatoes delivered to the 20 sample stores during the period of the study, some of the schedules had to be discarded because of insufficient data. To this extent, coverage of all potatoes delivered to these stores was not obtained. Discarded schedules represented less than 1 percent of the total quantity of potatoes studied.

2/ No adjustment for waste and spoilage.

3/ Less than 0.05 percent.

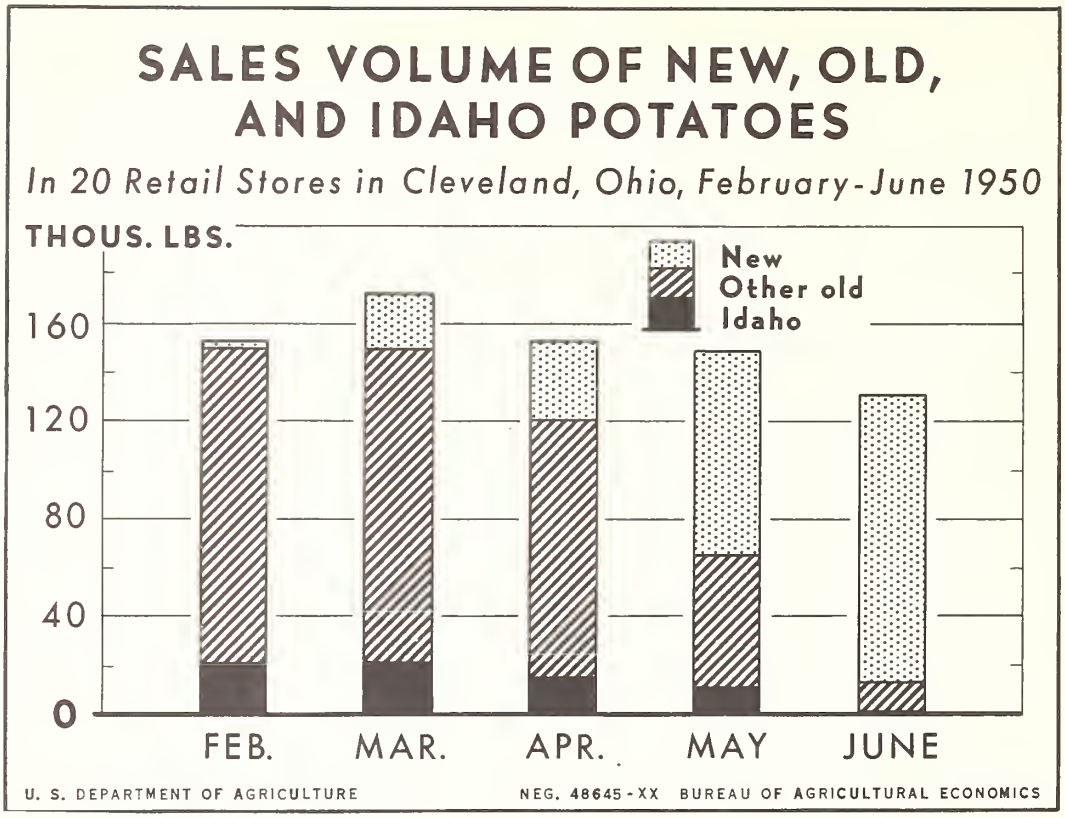

Figure 1

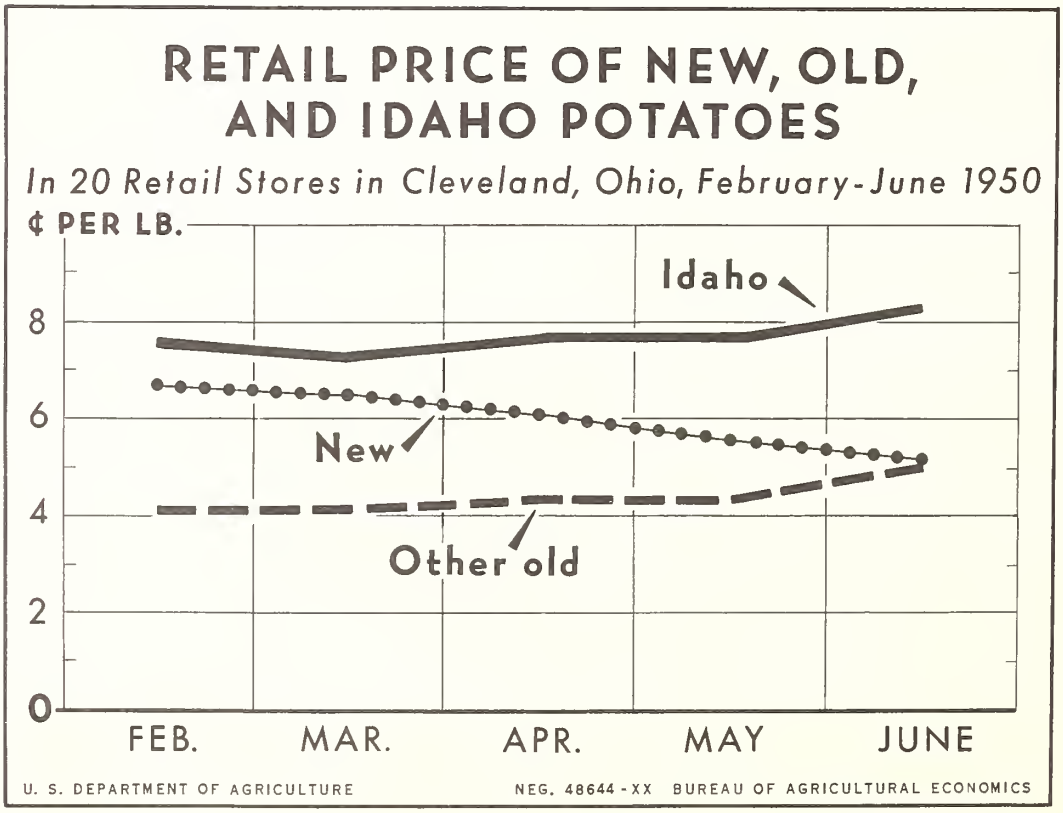

Figure 2

Table 2. - Seasonal pattern of new and old potatoes sold in Cleveland, by States of origin and by months, February-June 1950

New Potatoes

State of origin	February	March	April	May	June	Total
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Alabama	---	---	---	6,972	7,705	14,677
Arizona	---	---	---	---	2,650	2,650
California	---	196	2,406	63,670	106,615	172,887
Florida	2,010	22,480	26,502	12,270	1,129	64,391
Texas	883	---	3,436	785	---	5,104
Other	150	---	---	---	294	444
Total new	3,043	22,676	32,344	83,697	118,393	260,153

Old Potatoes

Idaho	20,944	21,896	14,934	11,782	98	69,654
Maine	104,920	108,710	101,589	51,703	5,870	372,792
Nebraska	7,559	2,158	98	---	---	9,815
New York	6,225	10,158	1,155	1,670	2,684	21,892
Ohio	7,681	3,777	150	---	---	11,608
Other	3,027	3,018	2,260	695	4,147	13,147
Total old	150,356	149,717	120,186	65,850	12,799	498,908
Grand total	153,399	172,393	152,530	149,547	131,192	759,061

Average retail prices for Idahos fell slightly from February to March when the quantity sold increased slightly and rose during later months when the quantities sold declined.

Average retail prices for other old potatoes remained relatively stable during February and March when the quantities sold were about the same and gradually increased during later months when the quantity sold was falling.

HOW POTATOES ARE SOLD

In the sample stores potatoes could be bought in bulk or in consumer packages. 5/ The more common sizes of consumer packages were 10-and 15-pound bags. When potatoes were packed before shipment to the terminal market, the size of the package depended somewhat upon the State of origin. During the period of this study, packaged potatoes from Maine were supplied to sample stores, chiefly in 15-pound paper bags. Consumer-packaged potatoes from Idaho were customarily offered in units of 10 pounds each. Ordinarily, containers of potatoes other than the 10-and 15-pound units were packaged in the retail store.

More than 40 percent of the test lots of old potatoes (other than Idaho) were sold in 15-pound packages. Of the quantity of Idaho-produced potatoes in these lots, 30 percent were moved in 10-pound containers whereas new potatoes were sold almost exclusively in bulk.

SHIPPING-POINT TRACE-BACKS

Selected lots of potatoes were traced from the Cleveland market back through the marketing channels to shipping point f.o.b. Approximately 25 percent of the retail lots were selected in an effort to obtain coverage for at least 10 percent of the sample. Trace-back information for lots that originated in Ohio, which would represent the movement of local potatoes to Cleveland, was considered unusable because of the inability of the enumerators to get transportation charges for moving potatoes by motortrucks. 6/

Table 3 shows the number of trace-back schedules received that were found to contain sufficient information to be usable.

METHODS OF MOVEMENT

Of the 137 lots traced back to shipping point, almost 65 percent were sold on a delivered-Cleveland basis. The remaining 35 percent were sold f.c.b. shipping point. Only one of the lots was sold on a commission basis. Table 4 shows for the lots for which records were obtained the proportion that moved by the three methods from three States of origin.

5/ For the purposes of this report, bulk sales of potatoes were those of varying quantities for which individual potatoes were selected by purchasers from displays in bins, baskets, or boxes at the retail store. Packaged sales were those in which a stated quantity of potatoes was offered for sale in containers of varying sizes, usually paper bags. Such a container did not give the purchaser a choice of individual potatoes or of the quantity purchased except in multiples of the packaged unit.

6/ Potatoes from local areas were transported by motortruck either owned by producers or hired for this purpose.

Table 3. - Retail schedules and number traced back to shipping point from Cleveland by State of origin, February-June 1950

State of origin	Retail schedules	Trace-backs	
		Quantity	Percentage of retail
	Number	Number	Percent
Maine	614	86	14.0
Idaho	218	32	14.7
Florida	201	19	9.5
Total	1,033	137	13.3

Table 4. - Potatoes marketed by specific methods, Cleveland, by States of origin, February-June 1950

State of origin	Total lots	Carlot delivered sales		Carlot f.o.b. sales		Carlot commission sales	
		Lots	Percentage of total	Lots	Percentage of total	Lots	Percentage of total
	Number	Number	Percent	Number	Percent	Number	Percent
Maine	86	61	70.9	24	27.9	1	1.2
Idaho	32	17	53.1	15	46.9	0	0
Florida	19	10	52.6	9	47.4	0	0
Total	137	88	64.2	48	35.0	1	.8

SHARING THE CONSUMER'S DOLLAR

How the consumer's dollar was shared by the several marketing agencies depended upon the type of potatoes handled and the season of the year in which they were sold. To obtain this picture graphically, the test lots were divided into the States of origin which represent the three types of potatoes observed in the sample stores. This meant that Florida represented the new potatoes, Idaho represented Idahos, and Maine represented the other old crop. Figure 3 and table 5 show the sharing of the consumer's dollar by each of the marketing agencies for the three groups of lots.

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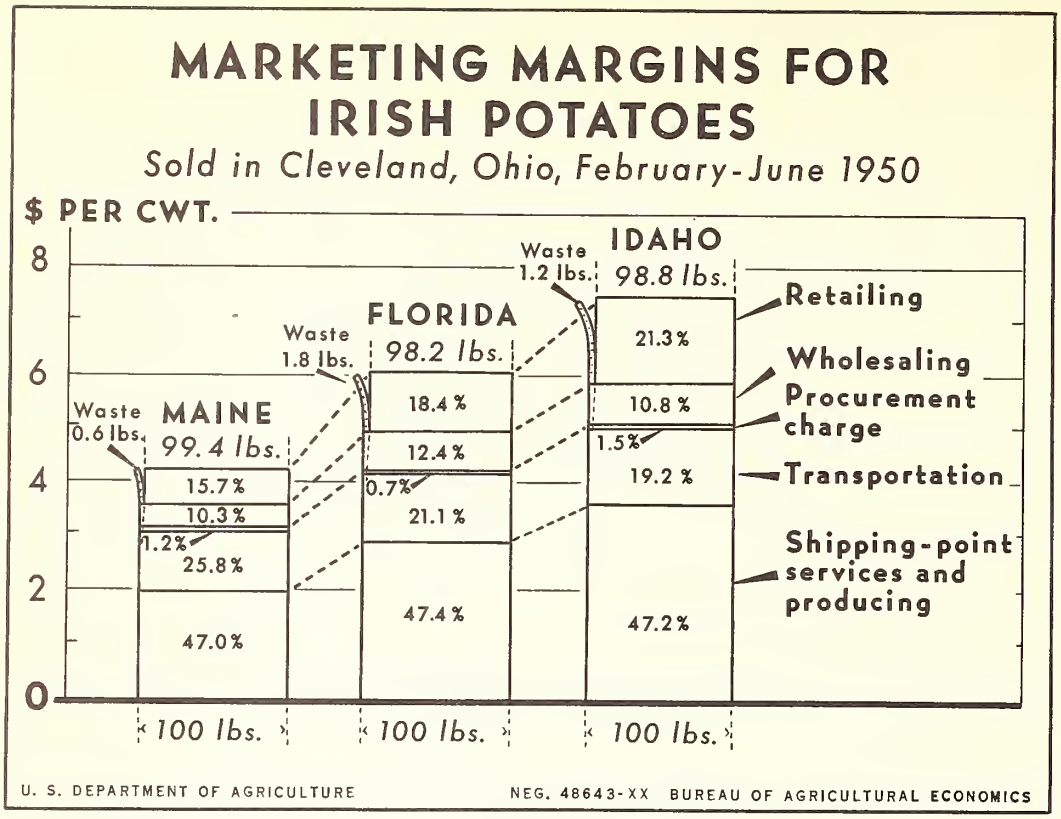

Figure 3.

Table 5. - Marketing margins for potatoes sold in Cleveland by specified producing areas, average February-June 1950

Item	Marketing margins					
	Maine		Idaho		Florida	
	Per cwt.	Percentage of retail price	Per cwt.	Percentage of retail price	Per cwt.	Percentage of retail price
	Dollars	Percent	Dollars	Percent	Dollars	Percent
Retail price	1/4.19	100.0	2/7.43	100.0	3/6.03	100.0
Retail margin	.66	15.7	1.58	21.3	1.11	18.4
Cost delivered retail store	3.53	84.3	5.85	78.7	4.92	81.6
Wholesale margin	.43	10.3	.80	10.8	.75	12.4
F.o.b. car Cleveland	3.10	74.0	5.05	67.9	4.17	69.2
Procurement charges	.05	1.2	.11	1.5	.04	.7
Transportation	1.08	25.8	1.43	19.2	1.27	21.1
F.o.b. shipping point	1.97	47.0	3.51	47.2	2.86	47.4

1/ Retail price for 99.4 pounds (100 pounds less 0.6 pounds of waste).
2/ Retail price for 98.8 pounds (100 pounds less 1.2 pounds of waste).
3/ Retail price for 98.2 pounds (100 pounds less 1.8 pounds of waste).

Shipping Point F.O.B.

Retail trace-back data did not include information prior to shipping point f.o.b. This figure was derived as the residual after all of the known marketing charges had been deducted from the retail price. Generally the shipping point f.o.b. price was related to the retail price, in that the potatoes that sold for the highest average retail price had the highest shipping-point f.o.b. price.

Returns to shipping point f.o.b. were highest for Idaho potatoes, $3.51 per 100 pounds, and lowest for Maine potatoes, $1.97 per 100 pounds. The three States realized almost the same percentage margin at shipping point; it varied from 47 to 47.4 percent of the consumer's dollar spent for the lots.

These differences in returns to shipping point f.o.b. - $1.97 per 100 pounds for potatoes grown in Maine compared with $3.51 for those grown in Idaho - might raise a question as to whether potato growers allocate their resources of land, labor, and capital in the most profitable way. Questions of this nature are not within the scope of this study but the data presented here should be of value to research workers in the field of production economics who are confronted with such problems.

Transportation

Transportation charges varied according to the distance of the producing area from the market and the type of service rendered. Gross transportation charges were highest for potatoes produced in Idaho. The average charge for potatoes originating in this State was $1.43 per 100 pounds, or 19.0 percent of the consumer's dollar spent for these potatoes. Of this amount, $1.33 was for freight, 6 cents went for heat or icing, and 4 cents for the Federal transportation tax. Transportation charges for potatoes shipped from Maine averaged $1.08 per 100 pounds, of which $1.05 was for freight and 3 cents for the Federal transportation tax. The total freight bill for Maine potatoes accounted for 25.8 percent of the consumer's dollar spent for these potatoes. Table 6 shows average transportation charges for the 137 lots of potatoes by State of origin and type of service.

The total transportation charge for moving the 137 lots of potatoes from the various shipping points to Cleveland averaged $1.19 per 100 pounds, or 24 percent of the consumer's dollar spent for these potatoes. Of this amount, $1.14 went for freight, 1 cent for heat or icing, and 4 cents for the Federal transportation tax. Transportation rates for moving potatoes to market by motortruck were unobtainable, so that the transportation charges mentioned above are for movement by rail only.

Table 6. - Average charges for transporting 100 pounds of potatoes by rail from specified States to Cleveland, February-June 1950

State of origin	Freight		Heat or ice		Federal tax		Total	
	Cost	Percentage of consumer's dollar	Cost	Percentage of consumer's dollar	Cost	Percentage of consumer's dollar	Cost	Percentage of consumer's dollar
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
Maine	1.046	24.3	1/	1/	0.032	0.007	1.078	25.8
Idaho	1.329	17.7	0.056	0.007	.041	.006	1.426	19.0
Florida	1.231	20.2	.003	1/	.037	.006	1.271	20.8
Average all States	1.138	22.8	.013	.002	.035	.007	1.186	23.7

1/ Less than 0.05 percent.

Procurement Charges

Procurement charges. - None of the lots traced from Cleveland to shipping point had brokerage charges. Sixty-two of the 137 lots had procurement fees which were charges assessed by the produce-buying subsidiaries of some of the chain-store organizations. This charge averaged 6 cents per 100 pounds or 1.2 percent of the average retail price of the potatoes studied. Idaho potatoes carried the highest average procurement charge, 11 cents per 100 pounds or 1.5 percent of the average retail price, and Florida-grown potatoes the lowest, 4 cents per 100 pounds or 0.7 percent of their average retail price. This charge for Maine potatoes averaged 5 cents per 100 pounds, or 1.2 percent of the consumer's dollar.

Wholesaler's Margin

The average wholesale margin for the 137 lots of potatoes traced back to shipping point was 54 cents per 100 pounds, or 10.8 percent of the consumer's dollar spent for these potatoes. When the share of the consumer's dollar taken by the various segments of the marketing system was calculated by the States in which the potatoes originated, some variation in the size of the wholesaler's margin was observed. Wholesalers charged the highest dollar margin for potatoes coming from Idaho, 80 cents per 100 pounds, and the smallest for potatoes coming from Maine, or 43 cents per 100 pounds. Percentage margins were highest for Florida potatoes - 12.4 percent - and lowest for Maine potatoes. Wholesalers' margins for the latter amounted to 10.3 percent of the consumer's dollar spent for them.

Of the 137 lots traced through wholesale handlers, 98 were sold directly to retailers by initial carlot receivers, and 39 were sold to secondary handlers who in turn sold to retail stores. When initial carlot receivers sold to retail stores they charged an average of 46 cents per 100 pounds for their services. When they sold to secondary handlers this charge averaged 38 cents. When secondary handlers sold to retail stores they made, on the average, an additional charge of 34 cents for their services.

Most of the dealers who handle potatoes at the wholesale level are either initial receivers or secondary handlers. Initial receivers are generally the first marketing agency to handle the commodity after it arrives in the terminal market. They may sell directly to the retail store or to secondary handlers. Their services consist chiefly of assembling, breaking bulk, and distributing commodities. The function of the secondary handler consists of breaking shipments into smaller quantities for the smaller stores, and may include such services as delivery to stores, and extension of credit.

Retailer's Margin

Retailers' margins for selling 1,543 lots of potatoes in the sample stores averaged 18.2 percent of the consumer's dollar spent for these lots, or 91 cents per 100 pounds. These over-all figures may be misleading to some because they do not take into account such relevant factors as type of potato, season of the year in which marketed, how sold, that is, packaged or bulk, and type of store through which they were sold.

Some variation in the size of the retailer's margin was apparent when the lots were grouped according to States of origin. The retailers' margins varied from 16 percent of the consumer's dollar, or 66 cents per 100 pounds for Maine potatoes, to 21 percent or, $1.58 per 100 pounds for those grown in Idaho.

Waste and spoilage constituted a loss to retailers and when present reduced their margins. The amount of such waste in potatoes of all types, at the retail level, averaged 1.83 pounds for each 100 pounds of bulk potatoes sold. No waste was assigned to packaged sales in this study. Ordinarily waste that was present in small amounts in packages was not removed but was passed along to the consumer. This is not to say that none of the packaged potatoes was wasted at the retail level. When packaged potatoes contained waste or spoilage in sufficient quantities to warrant opening the container to remove it, the retailer usually dumped the remaining salable quantities into the bulk displays from which they were sold as bulk potatoes.

In an effort to compare retail margins and services on the basis of type of store, individual lots were separated first into store groups 7/, then according to type of potato and method of sale, whether bulk or packaged. These lots were arrayed according to the size of their margins. Margins were measured both in terms of (1) cents per pound, and (2) percentage of the retail price per pound.

Most of the new potatoes for which data were obtained were sold in bulk during the time of this study. 8/ Average gross retail margins were $1.29 per 100 pounds, or 23 percent of the consumer's dollar spent for new potatoes (Appendix table 14). Margins taken by retail stores followed a definite pattern when grouped according to the type of store in which they were sold. This held true for margins when calculated both in absolute and percentage terms. Tables 7 and 8 indicate that group I stores sold a larger proportion of their potatoes at smaller margins than did group III stores. Group III stores in turn sold a larger proportion of their potatoes at smaller margins than did group IV stores. This pattern of margins is to be expected, as the group I stores were also the stores that handled the largest volume of sales while the group IV stores handled the smallest volume.

More than 68 percent of the Idaho potatoes for which records were obtained were sold in bulk and the remainder in consumer packages. Average gross retail margins were $1.76 per 100 pounds, or 24 percent of the consumer's dollar spent for bulk sales, and $1.17 per 100 pounds, or 16 percent of the consumer's dollar spent for packaged potatoes (Appendix table 15).

7/ Retail stores were grouped according to their method of buying potatoes. Group I consisted of those stores for which purchases were made in carload lots. This included the national chain stores, plus one local chain. Group II comprised those stores for which purchases were made directly from the initial receiver in the terminal market; (none of the Cleveland sample stores fitted into this group). Group III consisted of stores that bought their potatoes from both initial receivers and secondary handlers, but picked up their purchases of fresh produce in their own trucks. These were the medium and larger-sized independently operated stores. Group IV included those independently operated stores that bought their potatoes delivered-at-store from service wholesalers or truck jobbers.

8/ Some new potatoes are shipped in consumer packages, but for a number of reasons this practice is not general. New potatoes are considered more perishable than old because of their higher moisture content. From the standpoint of ventilation, paper containers are not as satisfactory as cloth or mesh bags. Cloth bags are considerably more expensive than paper. Likewise, the unit of purchase of new potatoes by consumers is generally so small (5 pounds or less per purchase) that prepackaging might not be economically feasible.

Table 7. - New Potatoes: Percentage sold at specified percentage margins by store groups, Cleveland, February-June 1950 1/

Gross margin as a percentage of retail price 2/	Group I	Group III	Group IV
Percent	Percent	Percent	Percent
Less than 5	19.1	---	0.4
5 - 9	3.9	---	.4
10 - 14	13.7	5.3	.7
15 - 19	26.8	10.8	3.7
20 - 24	29.8	48.6	12.7
25 - 29	5.0	17.4	35.7
30 - 34	1.5	13.2	20.4
35 - 39	---	4.7	23.8
40 - 44	.1	---	2.2
Over 45	.1	---	---
Total	100.0	100.0	100.0

1/ Bulk sales only.
2/ No allowance for waste and spoilage.

Table 8. - New Potatoes: Percentage sold at actual cents margins by store groups, Cleveland, February-May 1950 1/

Gross retail margin per pound 2/	Group I	Group III	Group IV
Cents	Percent	Percent	Percent
Less than 0.5	22.3	---	0.4
0.5 - 0.9	36.7	9.1	2.3
1.0 - 1.4	32.5	57.0	10.0
1.5 - 1.9	6.1	23.0	34.9
2.0 - 2.4	2.3	10.7	32.7
2.5 - 2.9	---	.2	14.5
3.0 - 3.4	---	---	3.7
Over 3.5	.1	---	1.5
Total	100.0	100.0	100.0

1/ Bulk sales only.
2/ No allowance for waste and spoilage.

Margins for Idaho potatoes followed a less definite pattern by store groups than did those for new potatoes. Group I stores sold more of their bulk potatoes for smaller percentage margins than groups III and IV stores. When the margins for these same lots were measured in cents per pound, groups III and IV stores sold a larger proportion of their lots for smaller margins than group I stores (tables 9 and 10). More than 50 percent of bulk Idaho potatoes sold by group I stores during this study were a specially packed item. They were bought by retail stores in very carefully packaged 15-and 30-pound pasteboard boxes and their average cost per pound to the stores was somewhat higher than average costs of similar types of potatoes purchased in bags. These potatoes were sold in bulk to consumers for a higher average price per pound than other Idaho potatoes. Thus, although group I stores averaged the smallest percentage margin, this percentage was of a larger retail price so that these stores also averaged the largest absolute margin.

Margins for packaged Idaho potatoes were lowest in group I stores where the volumes sold were largest and highest in group IV stores where the smallest volumes were sold. Margins for packaged sales averaged less than for bulk sales during the 5 months. The range of difference in the size of margins among store groups was wider for packaged sales than for bulk, averaging from $1.15 to $2.70 per 100 pounds in absolute terms and from 15.3 to 34.2 in percentage terms. Appendix table 15 shows these margins by store groups, and by months.

Margins for packaged Idaho potatoes followed the same pattern by store groups as new potatoes. Group I stores sold a larger proportion of their potatoes for smaller margins than group III stores, and group III stores sold a larger proportion of their potatoes for smaller margins than group IV stores.

About a third of the other old potatoes (excluding those produced in Idaho) were sold in bulk. The remainder were sold in consumer packages, usually 15-pound sizes. This is in contrast to Idaho potatoes, which were sold in 10-pound packages and moved two-thirds in bulk and one-third in packages.

Absolute margins for bulk sales of old potatoes averaged $1.49 per 100 pounds, or 30.2 percent of the average retail price paid for these lots during the 5 months. Group I stores handled the smallest quantity of old potatoes sold in bulk and charged the lowest margins, averaging 59 cents per 100 pounds, or 14.7 percent of the average retail price paid for these lots. Stores in group III sold the largest percentage of bulk old potatoes other than Idahos included in this study, charged the next highest absolute margin, averaging $1.55 per 100 pounds, and the highest percentage margin averaging 31.4 percent of the average retail price paid for these lots (Appendix table 16).

Table 9. - Idaho Potatoes: Percentage of quantities sold at specified percentage margins by store groups, Cleveland, February-June 1950

Gross margin as a percentage of retail price	Group I		Group III		Group IV	
	Bulk 1/	Package	Bulk 1/	Package	Bulk 1/	Package
Percent	Percent	Percent	Percent	Percent	Percent	Percent
Less than 5	8.0	---	---	---	0.9	---
5 - 9	1.4	26.8	---	---	---	---
10 - 14	---	18.6	---	---	---	---
15 - 19	12.7	36.8	1.9	50.0	11.6	---
20 - 24	47.1	13.4	20.6	16.7	43.7	---
25 - 29	30.8	4.4	28.1	---	30.4	---
30 - 34	---	---	44.3	33.3	8.9	100.0
35 - 39	---	---	5.1	---	3.6	---
40 - 44	---	---	---	---	---	---
Over 45	---	---	---	---	.9	---
Total	100.0	100.0	100.0	100.0	100.0	100.0

1/ No allowance for waste and spoilage.

Table 10. - Idaho Potatoes: Percentage of quantities sold at actual cents margins by store groups, Cleveland, February-June, 1950

Gross retail margin per pound	Group I		Group III		Group IV	
	Bulk 1/	Package	Bulk 1/	Package	Bulk 1/	Package
Cents	Percent	Percent	Percent	Percent	Percent	Percent
Less than 0.5	8.0	9.8	---	---	0.9	---
0.5 - 0.9	1.4	35.6	---	---	---	---
1.0 - 1.4	7.2	26.9	1.9	66.7	23.2	---
1.5 - 1.9	15.3	23.3	43.1	---	51.8	---
2.0 - 2.4	43.0	---	47.1	33.3	15.2	---
2.5 - 2.9	25.1	4.4	7.5	---	4.4	100.0
3.0 - 3.4	---	---	.4	---	.9	---
Over 3.5	---	---	---	---	3.6	---
Total	100.0	100.0	100.0	100.0	100.0	100.0

1/ No allowance for waste and spoilage.

Retail margins for the sale of packaged old potatoes were less than for any of the other types, averaging 35 cents per 100 pounds or, about 9 percent of the consumer's dollar spent for these potatoes.

Of the packaged sales of old potatoes, 79 percent were handled by group I stores. Average retail margins were lowest for these stores. They averaged 27 cents per 100 pounds, or 6.9 percent of the consumer's dollar. Group III stores sold the second largest quantity of these potatoes, 18 percent, and charged the highest average retail margins, 70 cents per 100 pounds, or 17 percent of the consumer's dollar spent for these potatoes. Tables 11 and 12 show the percentage of the lots that were sold at specified percentage and absolute margins.

RETAIL PRICING POLICY

The retail pricing policy of a store determines the size of the retail margins taken. This information is difficult to obtain because many operators of retail stores are reluctant to reveal their methods of pricing commodities. Past studies have indicated that some of the following practices often influence the pricing of commodities at the retail level:

1. A fixed cents per unit mark-up.

2. A fixed percentage mark-up of the r etail store cost price.

3. A fixed percentage margin based on a retail-store selling price.

4. A fixed retail selling price per unit through a certain range of delivered-store prices. 9/

5. The practice of maintaining narrow margins and a low selling price in the hope of increasing volume enough to increase profits.

6. Some stores follow the practice of meeting the price of competing stores when possible.

7. Still another method is to use the commodity as a "loss-leader" in the hope of attracting traffic to the store to sell other more profitable items that are able to absorb such losses.

8. Some stores doubtless try to adjust their margins on the basis of rent, labor, capital investment, and costs of handling the item.

9/ For instance, the price of Idaho potatoes might be maintained at 7 cents a pound so long as the cost of the potatoes delivered to the retail store fell between a high of 5 and a low of 4 cents a pound. If this cost figure moved above the upper limit, the retail price would rise and if it dropped below the lower limit the retail price would fall.

Table 11. - Old Potatoes (Idaho excluded): Percentage of quantities sold at specified percentage margins by store groups, Cleveland, February-June 1950

Gross margin as a percentage of retail price	Group I		Group III		Group IV	
	Bulk 1/	Package	Bulk 1/	Package	Bulk 1/	Package
Percent	Percent	Percent	Percent	Percent	Percent	Percent
Less than 5	17.8	41.7	---	4.4	8.7	9.6
5 - 9	7.7	17.8	0.9	2.9	1.2	7.8
10 - 14	1.9	25.9	---	37.0	2.4	26.3
15 - 19	45.6	11.0	1.3	31.3	.9	22.8
20 - 24	7.7	.4	13.4	12.5	1.2	31.5
25 - 29	19.3	3.1	3.0	7.6	13.7	---
30 - 34	---	---	53.7	4.3	12.2	2.0
35 - 39	---	---	24.1	---	17.6	---
40 - 44	---	---	2.8	---	25.4	---
Over 45	---	.1	.8	---	16.7	---
Total	100.0	100.0	100.0	100.0	100.0	100.0

1/ No allowance for waste and spoilage.

Table 12. - Old Potatoes (Idaho excluded): Percentage of quantities sold at actual cents margins by store groups, Cleveland, February-June 1950

Gross retail margin per pound	Group I		Group III		Group IV	
	Bulk 1/	Package	Bulk 1/	Package	Bulk 1/	Package
Cents	Percent	Percent	Percent	Percent	Percent	Percent
Less than 0.5	26.2	79.4	0.9	32.7	9.6	33.5
0.5 - 0.9	54.5	17.1	1.3	44.4	2.7	62.0
1.0 - 1.4	19.3	3.3	15.8	20.0	11.9	3.6
1.5 - 1.9	---	.2	74.0	2.9	11.3	.9
2.0 - 2.4	---	---	5.7	---	34.3	---
2.5 - 2.9	---	---	2.0	---	30.2	---
3.0 - 3.4	---	---	.2	---	---	---
Over 3.5	---	---	.1	---	---	---
Total	100.0	100.0	100.0	100.0	100.0	100.0

1/ No allowance for waste and spoilage.

Stores included in the study may have used a variety of these methods of arriving at their retail selling prices. Some evidence is available that methods 4, 5, and 6 played a part in their retail pricing policies. There is little evidence that the stores tried to maintain a fixed dollars and cents mark-up or a fixed-percentage margin, either of the cost or the selling price. The scope and nature of this study were not such that any judgment could be passed on the other methods listed above.

TYPES OF POTATOES AND TYPES OF STORES

As previously noted, there were indications that the potatoes sold in Cleveland during the study could be classified into three different types - new, Idaho, and other old. Differing retail prices and marketing seasons for the product support this separation. With such a separation, it is possible that when stores used a consistent or common pricing policy for all commodities or varied their pricing policies according to the value of the product handled, these practices might be revealed by studying the types separately and comparing the observations.

Just as there are different types of potatoes, so there are different types of stores. A factor in the continued success of many independent stores is the personal service they offer their customers. Some people are satisfied to visit their favorite store, select the commodities they desire, pay cash, and carry them home. Others desire, and are willing to pay for, deferred payment, delivery, and complementary services.

The quantities of potatoes handled by the different store groups varied considerably. The volume of all potatoes handled by the sample stores varied from 56 percent for group I stores to 6 percent for group IV stores. When the lots of potatoes were separated into the three types noted above, the proportion sold by each group of stores was about the same as for all types grouped together. When Idaho and other old potatoes were separated on the basis of packaged and bulk, the proportion sold by each store group varied considerably. Group I stores sold 93 percent of the packaged Idaho potatoes and 79 percent of the other old potatoes sold in consumer packages. Group III stores sold the greater part of their potatoes in bulk form while group IV stores dealt almost exclusively in bulk potatoes (table 13).

RETAIL PRICES AND VOLUME OF SALES

Generally average retail prices would be expected to be highest in those stores handling the smaller volumes of potatoes and lowest in those handling the greater volumes. This price-volume relationship did not hold true for any store groups studied. For new potatoes the average retail price was lowest in group III stores, which had the second highest volumes. Group I stores, which had the largest volumes, had the next lowest price, whereas group IV stores, with the smallest volumes had the highest average retail price.

Table 13. - Percentage distribution of potatoes sold, by types and by store groups, in Cleveland, February-June 1950

Store group	Stores	Percentage of potatoes sold							
		Total	New	Idaho			Other old		
				Bulk	Packaged	Total	Bulk	Packaged	Total
	Number	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Group I	6	56.3	57.4	33.6	93.0	52.3	9.1	79.1	56.3
Group III	5	38.0	37.5	54.9	6.8	39.7	79.2	18.1	38.0
Group IV	9	5.7	5.1	11.5	.2	8.0	11.7	2.8	5.7
All groups	20	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

For Idaho potatoes sold in bulk, group III stores had the largest volumes of sales and the lowest average retail price. For this type of potato, group I stores had the second largest volumes and the highest average retail price. 10/ Group IV stores had the smallest volumes of sales and the second highest average retail price per pound. For Idaho potatoes sold in packages, group I stores handled the largest volumes but had the next highest average retail price, while group III stores handled the next largest volume but sold potatoes for the lowest average retail price.

For other old potatoes sold in bulk, group I stores sold the smallest volumes for the lowest average retail price, and group III stores sold the largest volumes of potatoes for the second highest price. Other old potatoes sold in packages brought the lowest average retail price per pound in group I stores in which most of the volume was handled. In this case, group IV stores which handled the lowest volumes of all the groups, had the next to highest average price.

These price relationships do not consider variations in quality. Some stores may have handled a higher-quality product for which they paid more, as was the case for some of the stores in group I. Many other factors affect the prices stores are able to obtain for their produce. Attractiveness of displays and merchandising methods influence the level of prices in one store as compared to another.

10/ The average retail selling price for Idaho potatoes sold in bulk is somewhat inflated for the group I stores. This was caused by some of the stores in this group handling what might be termed a specialty item. This specialty item consisted of potatoes packed in a fancy container which displayed the product as a very special item. Their cost to the retailer was high and they sold to consumers for a higher than average price.

APPENDIX

Scope and Method of Study

A sample of retail stores within the corporate limits of Cleveland was selected to provide representative retail prices for all stores having yearly sales of $35,000 or more. 11/ According to trade reports, it has been estimated that stores with a sales volume of less than $35,000 handled 12 percent or less of the fresh produce in the city.

Complete information was obtained for each lot of potatoes delivered to each store in the sample from February through June 1950. This information included size, variety, State of origin, brand, method of selling, type of container, purchasing price, from whom purchased, selling price, waste, and quantity sold.

A sample of the lots of potatoes for which this information was obtained was selected for tracing back through wholesale handlers to f.o.b. shipping point. Information was obtained from each handler on the specific sample lot with respect to price paid for the lot, quantity purchased, date of purchase, services performed, selling price, and name of the seller from whom the lot was bought. In this way a complete picture of the marketing channel and the price and margin were obtained at each point in the marketing process for each lot in the sample.

An attempt was made to obtain prices at uniform points in the market level. This is particularly important with respect to retail margins. The point in the marketing level at which retail stores take title to potatoes may range all the way from the car door at terminal market to the time they are delivered at retail stores. When retail stores take title at car door their reported margin includes some of the expenses of wholesale services, such as loading the truck, warehousing, delivery to retail stores, and unloading at retail stores. As herein defined, retail margin includes only the charges made for services provided after the potatoes have been delivered to the store. To make retail margins on potatoes comparable among the various stores, the costs per 100 pounds reported by the stores were adjusted to a delivered-at-store basis. An adjustment in cost was required only in the case of the local and national chain stores. Individual chains supplied the necessary data on cost to make the adjustment to a delivered-at-store basis.

11/ The data as to volume of sales may not necessarily be representative for the city. A larger number of stores would have been required to insure representativeness for data concerning volume than for data relating to price, because the variation found in store prices is less than the variation in volume.

Retail stores were grouped according to their method of purchasing potatoes. Group I consisted of those stores for which purchases were made in carload lots. This group included the national chain stores plus one local chain. Group II comprised those stores for which purchases were made directly from initial receivers 12/ in the terminal market. None of the stores in the Cleveland sample fitted this group. Group III represented those stores that bought their potatoes from initial receivers and secondary handlers 13/ but picked up their purchases of fresh produce in their own trucks. 14/ These stores were the medium-sized and larger independently operated stores. Group IV included those independently operated stores that bought their potatoes delivered-at-store from service wholesalers 15/ and those that bought their potatoes delivered-at-store from truck jobbers. 16/

12/ Initial receivers represent those wholesalers who receive potatoes in carload lots. They perform the function of breaking down carlots into smaller units for sale to secondary handlers and the larger retail stores, either local chains or independents.

13/ Secondary handlers represent those wholesalers who buy potatoes from initial carlot receivers. Their function is to break down purchases into smaller units for sale to retail stores.

14/ Independently operated stores in group III obtain no price reduction from the wholesaler as a result of hauling the produce to their stores, but they may receive some price concession on the basis of volume purchased. These stores may gain some advantage in the quality of purchases as a result of picking up their produce in the terminal market. There was no practicable way to make such a quality comparison in the Cleveland study.

15/ Service wholesalers as here used include initial receivers and secondary handlers who make deliveries to the retail stores. These wholesalers have a central business office.

16/ Truck jobbers represent wholesalers who sell only from their trucks, making deliveries direct to retail stores. They have no central business office; they combine selling, delivery, and collection in one operation.

Table 14. - New Potatoes: Quantity sold, retail price, and gross margin per 100 pounds, by months, and by retail stores grouped according to method of buying potatoes, Cleveland, February-May 1950

Item	Sales		Price per 100 pounds			Gross margin as a percentage of retail price
	Quantity	Percentage of total	Retail 1/	Cost 2/	Gross margin	
	Pounds	Percent	Dollars	Dollars	Dollars	Percent
February						
Group I	1,176	38.7	7.17	5.80	1.37	19.1
Group III	1,668	54.8	6.38	5.20	1.18	18.5
Group IV	199	6.5	4.22	3.30	.92	21.8
All stores	3,043	100.0	6.58	5.30	1.28	19.5
March						
Group I	13,939	61.5	6.58	5.10	1.48	22.5
Group III	8,051	35.5	5.99	4.60	1.39	23.2
Group IV	686	3.0	6.97	5.10	1.87	26.8
All stores	22,676	100.0	6.38	4.90	1.48	23.2
April						
Group I	19,144	59.2	5.89	5.30	.59	10.0
Group III	11,779	36.4	6.18	5.00	1.18	19.1
Group IV	1,421	4.4	7.46	5.70	1.76	23.6
All stores	32,344	100.0	5.99	5.20	.79	13.2
May						
Group I	45,903	54.9	5.40	4.60	.80	14.8
Group III	34,168	40.8	5.60	4.30	1.30	23.2
Group IV	3,626	4.3	6.77	5.00	1.77	26.1
All stores	83,697	100.0	5.50	4.50	1.00	18.2
June						
Group I	69,215	58.5	5.01	4.40	.61	12.2
Group III	41,925	35.4	5.10	3.90	1.20	23.5
Group IV	7,253	6.1	6.28	4.40	1.88	29.9
All stores	118,393	100.0	5.10	4.20	.90	17.6
Total Group I	149,377	57.4	5.69	4.50	1.19	20.9
Total Group III	97,591	37.5	5.50	4.20	1.30	23.6
Total Group IV	13,185	5.1	6.58	4.70	1.88	28.6
Total	260,153	100.0	5.69	4.40	1.29	22.7

1/ Amount retailer realized after allowing for waste and spoilage.
2/ Cost delivered at store.

Table 15. - Idaho Potatoes: Quantity sold, retail price, and gross margin per 100 pounds by months, retail stores grouped according to method of buying potatoes and by method of sale, Cleveland, February-June 1950

Item	Bulk						Package					
	Sales		Price per cwt.			Gross margin as a percentage of retail price	Sales		Price per cwt.			Gross margin as a percentage of retail price
	Quantity sold	Percentage of total	Retail 1/	Cost 2/	Gross margin		Quantity sold	Percentage of total	Retail	Cost 2/	Gross margin	
	Pounds	Percent	Dols.	Dols.	Dols.	Percent	Pounds	Percent	Dols.	Dols.	Dols.	Percent
February												
Group I	4,957	31.2	8.97	7.22	1.75	19.5	4,290	85.1	7.58	6.61	0.97	12.8
Group III	9,771	61.4	6.78	4.90	1.88	27.7	750	14.9	6.50	5.40	1.10	16.9
Group IV	1,176	7.4	6.78	5.39	1.39	20.5	---	---	---	---	---	---
All stores	15,904	100.0	7.46	5.66	1.80	24.1	5,040	100.0	7.42	6.43	.99	13.3
March												
Group I	6,386	38.6	7.82	6.70	1.12	14.3	4,800	89.7	7.11	6.14	.97	13.6
Group III	8,445	51.0	6.78	4.70	2.08	30.7	500	9.3	6.90	4.80	2.10	30.4
Group IV	1,715	10.4	6.96	5.30	1.66	23.9	50	1.0	7.90	5.20	2.70	34.2
All stores	16,546	100.0	7.20	5.54	1.66	23.1	5,350	100.0	7.10	6.01	1.09	15.4
April												
Group I	2,800	31.5	9.32	7.08	2.24	24.0	6,050	100.0	7.64	6.20	1.44	18.8
Group III	4,614	51.9	6.71	4.85	1.86	27.7	---	---	---	---	---	---
Group IV	1,470	16.6	6.85	5.19	1.66	24.2	---	---	---	---	---	---
All stores	8,884	100.0	7.56	5.61	1.95	25.8	6,050	100.0	7.64	6.20	1.44	18.8
May												
Group I	1,865	29.9	9.37	7.58	1.79	19.1	5,300	95.5	7.66	6.53	1.13	14.8
Group III	3,240	52.0	6.87	5.30	1.57	22.9	250	4.5	6.90	5.50	1.40	20.3
Group IV	1,127	18.1	7.00	5.39	1.61	23.0	---	---	---	---	---	---
All stores	6,232	100.0	7.64	6.00	1.64	21.5	5,550	100.0	7.62	6.48	1.14	15.0
June												
Group I	---	---	---	---	---	---	---	---	---	---	---	---
Group III	98	100.0	8.17	5.50	2.67	32.7	---	---	---	---	---	---
Group IV	---	---	---	---	---	---	---	---	---	---	---	---
All stores	98	100.0	8.17	5.50	2.67	32.7	---	---	---	---	---	---

Continued

Table 15. - Idaho Potatoes: Quantity sold, retail price, and gross margin per 100 pounds by months, retail stores grouped according to method of buying potatoes and by method of sale, Cleveland, February-June 1950- Continued

Item	Bulk						Package					
	Sales		Price per cwt.			Gross margin as a percentage of retail price	Sales		Price per cwt.			Gross margin as a percentage of retail price
	Quantity sold	Percentage of total	Retail 1/	Cost 2/	Gross margin		Quantity sold	Percentage of total	Retail	Cost 2/	Gross margin	
	Pounds	Percent	Dols.	Dols.	Dols.	Percent	Pounds	Percent	Dols.	Dols.	Dols.	Percent
Total												
Group I	16,008	33.6	8.62	7.03	1.59	18.4	20,440	93.0	7.51	6.36	1.15	15.3
Group III	26,168	54.9	6.79	4.88	1.91	28.1	1,500	6.8	6.70	5.22	1.48	22.1
Group IV	5,488	11.5	6.90	5.31	1.59	23.0	50	.2	7.90	5.20	2.70	34.2
Feb. - June All stores	47,664	100.0	7.41	5.65	1.76	23.8	21,990	100.0	7.45	6.28	1.17	15.7

1/ Amount retailer realized after allowing for waste and spoilage.
2/ Cost delivered at store.

Table 16. - Old Potatoes (Idaho excluded): Quantity sold, retail price and gross margin per 100 pounds by months, retail stores grouped according to method of buying potatoes and by method of sale, Cleveland, February-June 1950

Item	Bulk						Package					
	Sales		Price per cwt.			Gross margin as a percentage of retail price	Sales		Price per cwt.			Gross margin as a percentage of retail price
	Quantity sold	Percentage of total	Retail 1/	Cost 2/	Gross margin		Quantity sold	Percentage of total	Retail	Cost 2/	Gross margin	
	Pounds	Percent	Dols.	Dols.	Dols.	Percent	Pounds	Percent	Dols.	Dols.	Dols.	Percent
February												
Group I	4,710	10.6	3.64	3.27	0.37	10.2	66,725	78.4	3.66	3.48	0.18	4.9
Group III	34,656	78.3	4.99	3.40	1.59	31.9	16,425	19.3	4.06	3.33	.73	18.0
Group IV	4,901	11.1	5.51	3.62	1.89	34.3	1,995	2.3	3.68	2.93	.75	20.4
All stores	44,267	100.0	4.91	3.41	1.50	30.5	85,145	100.0	3.74	3.44	.30	8.0
March												
Group I	6,036	13.9	4.16	3.46	.70	16.8	65,030	77.0	3.87	3.64	.23	5.9
Group III	32,100	74.0	4.91	3.33	1.58	32.2	16,260	19.3	3.92	3.31	.61	15.6
Group IV	5,245	12.1	5.38	3.59	1.79	33.3	3,150	3.7	3.89	3.25	.64	16.5
All stores	43,381	100.0	4.86	3.38	1.48	30.5	84,440	100.0	3.88	3.56	.32	8.2
April												
Group I	1,375	4.4	4.28	3.38	.90	21.0	56,850	76.9	4.04	3.64	.40	9.9
Group III	26,062	83.2	4.91	3.37	1.54	31.4	15,405	20.8	4.21	3.49	.72	17.1
Group IV	3,875	12.4	5.81	4.48	1.33	22.9	1,685	2.3	4.38	3.67	.71	16.2
All stores	31,312	100.0	5.00	3.51	1.49	29.8	73,940	100.0	4.09	3.61	.48	11.7
May												
Group I	---	---	---	---	---	---	32,850	85.7	4.12	3.86	.26	6.3
Group III	13,597	86.3	4.86	3.42	1.44	29.6	4,340	11.3	4.76	3.86	.90	18.9
Group IV	2,156	13.7	5.63	3.76	1.87	33.2	1,125	3.0	4.06	3.78	.28	6.9
All stores	15,753	100.0	4.97	3.47	1.50	30.2	38,315	100.0	4.19	3.85	.34	8.1
June												
Group I	589	11.2	4.91	4.18	.73	14.9	7,300	98.0	5.11	4.82	.29	5.7
Group III	4,417	84.1	5.04	3.73	1.31	26.0	---	---	---	---	---	---
Group IV	245	4.7	6.87	4.46	2.41	35.1	150	2.0	4.60	4.33	.27	5.9
All stores	5,251	100.0	5.11	3.81	1.30	25.4	7,450	100.0	5.10	4.81	.29	5.7

Continued

Table 16. - Old Potatoes (Idaho excluded): Quantity sold, retail price and gross margin per 100 pounds by months, retail stores grouped according to method of buying potatoes and by method of sale, Cleveland, February-June 1950 - Continued

Item	Bulk						Package					
	Sales		Price per cwt.			Gross margin as a percentage of retail price	Sales		Price per cwt.			Gross margin as a percentage of retail price
	Quantity sold	Percentage of total	Retail 1/	Cost 2/	Gross margin		Quantity sold	Percentage of total	Retail	Cost 2/	Gross margin	
	Pounds	Percent	Dols.	Dols.	Dols.	Percent	Pounds	Percent	Dols.	Dols.	Dols.	Percent
Total												
Group I	12,710	9.1	4.01	3.42	.59	14.7	228,755	79.1	3.93	3.66	.27	6.9
Group III	110,832	79.2	4.94	3.39	1.55	31.4	52,430	18.1	4.12	3.42	.70	17.0
Group IV	16,422	11.7	5.57	3.85	1.72	30.9	8,105	2.8	3.98	3.35	.63	15.8
Feb. - June All stores	139,964	100.0	4.93	3.44	1.49	30.2	289,290	100.0	3.96	3.61	.35	8.8

1/ Amount retailer realized after allowing for waste and spoilage.
2/ Cost delivered at store.

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